DECLARATION OF JOHN G. PETERSON

I, JOHN G. PETERSON, hereby state under the pains and penalties perjury that I have personal knowledge of the following:

1. I am an attorney licensed to practice law in the State of California. I am counsel specially admitted in Oregon for the Church of Scientology of California in the case of Julie Christofferson-Titchbourne v. Church of Scientology of California, et al., Circuit Court of the County of Multnomah, case #A7704-05184.

2. I am an attorney for the Church of Scientology of California. I have been present during testimony of Gerald Armstrong in the case of Julie Christofferson-Titchbourne v. Church of Scientology, et al. in the Circuit Court of the State of Oregon, County of Multnomah ("Christofferson").

3. Gerald Armstrong has been a witness for the plaintiff in the Christofferson case. He testified on direct examination for two days and on cross examination for over five days. I am familiar with his testimony.

4. During the course of Mr. Armstrong's testimony, a video tape of Mr. Armstrong surreptitiously conspiring with a Church of Scientology staff member whom Armstrong believed to be an opponent of current Church of Scientology management was introduced into evidence and played to the jury. Also several documents in Armstrong's own handwriting were introduced into evidence. The excerpts below are selected from the transcripts

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of the tapes; portions have been underlined to direct the Court's attention to the most relevant statements.

5. In his videotaped conversations, Gerry Armstrong clearly showed that he was being used by the Criminal Investigation Division of the IRS to gather information. This conspiracy came to light through the actions of an attorney and private investigator working in a police-sanctioned investigation to expose the conspirators. They video-taped with sound recording meetings between Armstrong and a Church of Scientology staff member posing as a disaffected member of a cell known as the "Loyalists" working within the Church to covertly take over current management. Armstrong made contact with a "Loyalist" named "Joey" and explained to the conspirators plans for covertly and illegal attacking the Church of Scientology and L. Ron Hubbard. Joey and the Loyalists were created only after the Church learned of Armstrong and Flynn's desire to get an inside source within the Church.

The video tape evidence and cross examination testimony shows clearly that Armstrong was working closely in these activities not only with Michael Flynn but also with AUSA Brackett Denniston and the FBI and IRS. Indeed he claimed that he was a "federal witness" and had been offered access to a "safehouse" by the government.

6. The following excerpts from the videotape establish Gerry Armstrong's close working ties with the IRS and intimate working relationship with the government.

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GA Ok. Well, the agencies have asked for some specific things, that's all they've asked for. Now.

J Let me take notes, what have they asked for?

GA Well they asked for specifically now some of the things you've already asked for and I've already passed on. The names that they mentioned Marlowe, Reynolds, Doug Hay... we talked

J Now who wanted this

GA CID

J Got it

GA Now, do you want a number in CID?

J Yeah

GA Your people should call, any problems, just call this guy.

J He knows about the Loyalists, what we're doing, stuff like that?

GA Yeah, basically yeah.

J What exactly have you told him and what did he say?

GA I've told him, well, he feels that, he keeps saying "When are these guys going to talk to me, I'll meet under any circumstances."

J Wow.

GA He wants to talk. You know, wait a, let me get, "Al Lipkin, 213-688-4260" At night...

GA At night 688-4151. I believe that's

J Great. Great. So, what agencies know about us and what do they want, and...

GA Justice department, FBA...

J You talk to these guys?

GA Yeah, I do. Yeah.

J Like who in Justice, is there a number I can call there?

GA Uh, Richard Greenberg, I gave you that one, I think. He's the guy you should call, I'll give you that number. He's in DC. Did the LA FBI case get dismissed?

GA Okay, Uh, (202-633-3368) I gave you one for Tom Doughty, FBI in DC

J What's his name again?

GA Tom. Thomas D. Doughty, 202-324-4532. I gave you CID. <u>There's another guy in CID</u>.

J Yeah, Al Lipkins

GA Al Ristuccia

J Is this Al too?

GA Albert, yeah, and apparently (688-42611. It may be the same as the other one I gave you, I'm not sure, Al Lipkins? No the other one is 60, okay.

J This is CID?

GA Yeah, I believe that's how he can be reached. I'm taking a fuch of a chance doing this (laughs) So are you. But there is a lot of

J What does he need from me, what does he want, or is it just back-up, for what I need.

GA Well it ties in he would like to get everyone to talk so that they can move? But, but at the same time, I always say to him, "Listen, you're putting us in an

uncomfortable situation. If you're telling me you haven't got enough to move right now, and I'm giving you the testimoney, then I'm a marked man if you guys back off the investigation. He said, the reason I do that is not because I'm particulary paranoid but because I'm searching for what's going on in their skull. He assured me the investigation's going forward. "we've got enough, that's the way the government works."

7. The following excerpts show how the government has sent Gerry Armstrong to solicit church members to give information and to obtain confidential records:

GA Yeah, you do, and I think people should talk to Lipkin and I think we should make it as soon as possible to do it, and I also think that...

GA They'd like to talk to whoever knows about...I'll tell you who wants to talk to you is CID. CID are the guys. That's the mostly likely, absolutely the most likely place in which the whole thing will happen.

GA They want to talk to you people. They want..uh, uh, yeah, there's two things. Number one, you guys should, I think, make plans at least, in the event that the whole thing is blown, someone breaks or whatever, exactly how to handle it, because you know, you can simply, no one needs to be held, don't go for it, just walk out the door. And I don't know if

they'd be stupid enough to try to fuck you over by holding you. Maybe, but I doubt it.

GA Well, you know what would make sense, it would make sense in my opinion to make the contact through me, so that he knows that you are part of the people that I've talked about. That makes sense. That would save you any problem in terms of identification because they are leary of entrapment.

8. The following excerpts underscore Gerald Armstrong's close working relationship with the government as he discusses the situation involving Judge Petris' mistaken order which created a "windown of vulnerability:

M I understand, I mean, you're obviously a good witness, I mean

G I'm a witness and I have, and I have documents, documents, but they've never talked to me about the documents under seal other than I gave the, I talked to them about this, do you know what a window of vulnerability is?

M Yeah.

G Well, in law, there's a certain thing, which is kind of like a window of the law, and there's a particular, like a window of vulnerability, is at a given time, it's like something opens up you know, like a window in space and you're vulnerable at that time and so it just happened that this judge, remember Judge Petris

who let the goddamn documents out, by the way I just heard on the news that he, that he retired today.

M He retired?

G Isn't that funny? He released all these other docs to CID, and then copied them all, during the releasing time, and then they all sealed up again, and the CID made off with all these documents...Just hilarious, because ultimately, you know, you can't stop the truth from coming out.

M No one's going to, there's no liability to that?

G No, I don't see it, I know you guys are concerned, but I, I don't see it at all, no liabilities and everything that happened every time the organization makes, goes to another court, that thing, alone, you guys could win it on Armstrong alone.

9. Mr. Armstrong's testimony and the evidence presented in documents and on the video tape indicate that members of various government agencies such as the FBI, IRS and individual officials including Boston Assistant United States Attorney Brackett Denniston and Boston Attorney Flynn to be directing and supervising the "running" of Gerald Armstrong as a covert intelligence operative in order to:

A) steal documents from the Church to serve as models for forgeries,

B) plot the forgery of false incriminating evidence in Church files,

C) orchestrate a coup in which agents of Flynn, Armstrong and the U.S. government would wrest control of the Church of Scientology from its lawful management,

D) steal attorney-client privileged communications consisting of legal strategies,

E) implement a bizarre plot to entrap and destroy a senior Scientologist by means of sexual seduction and blackmail, and

F) conspire to suborn perjury in order to keep this massive sordid criminal conspiracy under cover.

The extremes of illegality to which Armstrong was prepared to go in order to carry out this conspiracy is demonstrated by a blackmail and extortion scheme called "Long Prong" which Armstrong attempted to perpetrate. This was a plan to set up a senior executive of Author Services Incorporated with a woman in order to upset his marriage, degrade his status in the organization and blackmail his cooperation or force his removal.

I declare under penalty of perjury that the above is true and correct.

Dated: April 17, 1985

John G. Peterson